

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2458 – HB 2537

March 14, 2018

SUMMARY OF ORIGINAL BILL: Establishes apprenticeship programs for professions regulated by the Division of Regulatory Boards (DRB) of the Department of Commerce and Insurance (DCI). Requires apprenticeship programs meet the federal guidelines as set out in 29 CFR Part 29 and 29 U.S.C. § 50. Requires each licensing authority within the DRB to accept an applicant's six month apprenticeship in lieu of all education and experience requirements for professional licensures. Limits an applicant to apply for apprentice status one time. Requires the DRB to establish a passing score for examinations in each profession.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to multiple unknown factors, any fiscal impact to state revenue and expenditures cannot be quantified with reasonable certainty.

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Division of Regulatory Boards experienced a deficit of \$105,632 in FY15-16, a surplus of \$2,735,422 in FY16-17, and had a cumulative reserve balance of \$26,350,035 on June 30, 2017.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Commerce Impact – The impact on commerce and jobs in Tennessee cannot be reasonably determined because such impacts are dependent upon unknown factors.

SUMMARY OF AMENDMENT (015078): Deletes all language after the enacting clause. Establishes apprenticeship programs for professions regulated by the Division of Regulatory Boards (DRB) of the Department of Commerce and Insurance (DCI).

Requires each licensing authority within the DRB to issue a license to any applicant who: completes an apprenticeship that requires the applicant to learn the skills and knowledge relevant to the chosen profession under the direct supervision and instruction of a person duly licensed, registered, or certified to practice in the applicant's chosen profession; has passed any examination required to become licensed; and has paid any fees required by the licensing authority.

Requires each licensing authority to determine the duration of any apprenticeship for the profession that the authority regulates.

Requires each licensing authority to require an apprentice register with the licensing authority and authorizes them to set reasonable fees for registration or other transactions, such as changes of address or issuance of duplicate credentials.

Prohibits the licensing authorities providing licensure pursuant to the Contractors Licensing Act of 1994 from creating an apprenticeship program.

Establishes that completion of an apprenticeship created by this part does not override any of the requirements of the following: (1) instructor trainee programs, junior instructor programs, or apprenticeships under the Tennessee Cosmetology and Barbering Act; (2) apprenticeships related to funeral directors and embalmers; (3) apprenticeships under the Locksmith Licensing Act of 2006; (4) affiliate broker programs under the Tennessee Real Estate Broker License Act of 1973; (5) apprenticeships related to auctioneers; (6) apprenticeships under the Private Investigators Licensing and Regulatory Act; (7) internships under the Polygraph Examiners Act; and (8) appraiser trainee programs under the State Licensing and Certified Real Estate Appraisers Law.

Authorizes a licensing authority to create a separate apprentice program under this part.

For purposes of promulgating rules, this act will take effect upon becoming law, the public welfare requiring it. For all other purposes, this act will take effect January 1, 2019.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2019, the public welfare requiring it.
- The number of new apprenticeship programs created by licensing authorities as a result of this legislation is unknown.
- The number of applicants that may seek an apprenticeship in a newly-created program as a result of this legislation is unknown.
- Due to multiple unknown factors, any impact on state revenue and expenditures cannot be quantified with reasonable certainty.
- The Division of Consumer Affairs will experience an increase in consumer complaints as a result. Any such increase can be accommodated within existing resources of the Division.

- The DRB can promulgate any necessary rules during regularly-scheduled meetings at no additional cost.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Division of Regulatory Boards experienced a deficit of \$105,632 in FY15-16, a surplus of \$2,735,422 in FY16-17, and had a cumulative reserve balance of \$26,350,035 on June 30, 2017.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This legislation will provide an alternative path for individuals to become licensed in professions regulated by the DRB.
- It is assumed there will be a significant increase in applicants seeking professional apprenticeships, resulting in an increase in the number of qualified applicants for a limited number of jobs.
- Any impact on commerce cannot be quantified with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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